

U.S. Department of Energy
Washington, D.C.

ORDER

DOE 3309.1A

11-30-92

SUBJECT: REDUCTIONS IN CONTRACTOR EMPLOYMENT

1. PURPOSE. To provide policy and assign responsibilities and authorities for managing reductions in the employment levels at Department of Energy (DOE) contractor facilities and sites by management and operating contractors and by other designated contractors and subcontractors performing long-term contracts. This Order is intended to structure an orderly internal reporting and notification process within the Department of Energy and to establish general policies for the management of reductions in contractor employment. It is not intended to establish specific rights and benefits to any party potentially affected by a reduction in employment.
2. CANCELLATION. DOE 3309.1, REDUCTION IN EMPLOYMENT OF OPERATING AND ON-SITE SERVICE CONTRACTORS, of 2-6-81.
3. SCOPE. The provisions of this Order apply to all Departmental Elements responsible for administering contracts to be performed on-site at a DOE-owned or -leased facility.
4. APPLICATION TO CONTRACTS. Except as excluded by paragraph 5 below, this Order includes requirements that are to be applied to the universe of contractors awarded (a) a management and operating contract or (b) other types of cost-reimbursement contracts or subcontracts, to be performed on-site at a DOE-owned or -leased facility.

These contractors shall be required to comply with requirements in paragraph 9.

5. EXCLUSIONS. This Order is not to be applied to small purchases.
6. REFERENCES.
 - a. Public Law 96-511, Paperwork Reduction Act of 1980, which mandates a Governmentwide system for controlling and reducing agency information collections levied on the public.
 - b. Title 5, Code of Federal Regulations 1320, Controlling Paperwork Burden on the Public, which implements the Paperwork Reduction Act of 1980.
 - c. Federal Acquisition Regulation (FAR) 17.601 and Department of Energy Acquisition Regulation (DEAR) 970.000, which define management and operating contracts.

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All Departmental Elements

INITIATED BY:
Office of Procurement, Assistance
and Program Management

- d. DOE 3220.3A, HUMAN RESOURCE DEVELOPMENT FOR MANAGEMENT AND OPERATING CONTRACTORS, of 5-18-92, which prescribes policies for contractor training, including the utilization of community facilities.
 - e. Public Law 100-379, Worker Adjustment and Retraining Notification Act, which provides notification requirements for plant closings and layoffs of a certain size, as implemented by the Department of Labor in 20 CFR Part 639.
 - f. Secretary of Energy Notice (SEN)-10G-92, AUTHORITIES AND RESPONSIBILITIES OF THE DEPUTY SECRETARY AND UNDER SECRETARY, of 4-10-92, which defines reporting responsibilities of Program Secretarial Officers.
7. POLICY AND OBJECTIVES. When reductions in contractor employment levels at DOE contractor-managed facilities and sites become necessary as a result of program and budget decisions, either of the Department, other Federal agencies, or from internal contractor actions, it is DOE policy that such reductions be carefully planned and coordinated with Department field and Headquarters organizations. This policy is not applicable to reductions in force involving employees whose work is by nature temporary or of a fixed duration, such as construction workers employed for a specific project or task. Reductions should be planned and managed so as to achieve the following objectives:
- a. Minimize the number of individuals to be separated involuntarily, incorporating provisions to retain personnel with essential knowledge and skills.
 - b. Provide reasonable notice to affected employees, their representatives and concerned public officials.
 - c. Provide assistance for those who are to be separated to either find other employment; be retrained for other job skills; or otherwise reduce personal hardships, as by providing outplacement and personal assistance services.
 - d. Provide help to the community to alleviate the impact of the employment reductions.
8. RESPONSIBILITIES.
- a. Program Secretarial Officers (PSOs)
 - (1) For a significant layoff action, as defined in paragraph 10b, process an Alert Bulletin of pending employment reductions for signature of the Deputy Secretary or Undersecretary and concurrence of the Secretary.

- (2) Work concurrently with the Office of Congressional and Intergovernmental Affairs and the Office of Public Affairs to develop a Communications Plan concerning the release of information and public announcements to executive and legislative offices, and State and local governments.
- (3) Coordinate with the Office of Public Affairs concerning release of public announcements.
- (4) Coordinate with the Office of Contractor Human Resource Management concerning release of information to national labor organizations.
- (5) Coordinate with the Office of Environmental Restoration and Waste Management (EM) when employment reductions occur because of site/facility mission change and possible future transfer of facilities to EM.
- (6) Coordinate with the Office of General Counsel to assure that any applicable requirements of the Worker Adjustment and Retraining Notification Act have been satisfied.
- (7) Assure thorough analysis of programs in order to reduce the impact of such reductions in force on displaced employees and the communities.

b. Heads of Field Organizations.

- (1) Assure that management and operating contractors develop and implement plans which satisfy the requirements of paragraph 9.
- (2) Approve, as appropriate, personnel costs related to the reduction in employment which are not otherwise allowable. Submit to the Office of Contractor Human Resource Management and affected PSOs for concurrence any proposals for special incentives to encourage voluntary separations or special early retirement incentives. The analysis and recommendations of such proposals should address any proposed rehire potential for any employees who participate in special incentives.
- (3) Submit any plan for reduction at a DOE facility or site for that facility to the cognizant PSO and lead PSO, as appropriate.
- (4) Provide a copy of the report required under paragraph 91 to the Office of Contractor Human Resource Management, within 45 days of completion of the reduction.

- (5) Appraise the implementation of employment reductions by the management and operating contractor, including the cost effectiveness of programs approved under paragraph 8b(2).
 - (6) Assure that contractors develop programs to reduce the impact of the reduction in force on the displaced employees and the communities by working with Federal, State and local governments; interested local organizations; employee representatives; and educational institutions.
- c. General Counsel. The Office of General Counsel reviews plans for layoff notices to assure that all applicable requirements have been met, including the requirements of the Worker Adjustment and Retraining Notification Act (Public Law 100-379).
- d. Assistant Secretary for Congressional and Intergovernmental Affairs. Manages and develops Communications Plans which establish the officials to be notified and the scheduling and timing of all major announcements, including employment reductions at DOE contractor management and operating facilities.
- e. Director, Office of Public Affairs.
- (1) Coordinates Headquarters review by Congressional and Intergovernmental Affairs of employment reductions at a DOE contractor-managed facility.
 - (2) Coordinates all public announcements of layoffs at contractor-managed facilities with the appropriate DOE field office public affairs official and the appropriate contractor public affairs official.
 - (3) Assures that employee notification has been completed prior to any public announcement of layoffs.
 - (4) Issues a DOE news release, if appropriate, and/or approves the contractor news release.
- f. The Director, Office of Procurement, Assistance and Program Management, through the Director, Office of Contractor Human Resource Management.
- (1) Advises and assists PSOs on the implementation of DOE policies and programs for managing contractor reductions in force.
 - (2) Reviews Alert Bulletins prepared by PSOs for the Secretary for conformity to policy.

- (3) Informs national labor organizations of pending contractor reductions in force prior to public announcement.
- (4) Concurs in proposals for special incentives for either voluntary separations or early retirement submitted by field organizations, once approved by the cognizant PSO.
- (5) Advises and assists PSOs, Heads of Field Organizations, and contractors on implementation of programs to reduce the impact of reductions in force on displaced employees and the communities.

9. CONTRACTOR PROCEDURES AND REQUIREMENTS. The following procedures and requirements shall apply to the operations at DOE-owned, contractor-managed facilities and sites:

- a. Human Resource Planning. When a management and operating contractor determines there is a need for a reduction in employment, it shall identify positions to be affected; analyze the qualifications, length of service, and other characteristics of the incumbents of those positions; and undertake a systematic process leading to a projection of the types and numbers of personnel to be retained, transferred, or terminated.
- b. Notification to Contracting Officer. Management and operating contractors shall inform the contracting officer as soon as possible of a condition likely to result in a reduction in employment of 10 or more, or a significant layoff action as described in paragraph 10b. When the contractor has determined the approximate number, types, and dates of reduction actions, this information shall be transmitted to the contracting officer with sufficient time to permit the timely submission of the reduction plan to Headquarters.
- c. Control of Hiring. In anticipation of a reduction in employment, management and operating contractors should make every effort to postpone hiring and to fill vacancies through the transfer of personnel from positions which are to be eliminated.
- d. Voluntary Separations. In order to reduce the number of employees to be separated involuntarily by encouraging voluntary separations without unreasonably increasing costs, contractors may, with the approval of the contracting officer, provide special incentives, such as: (1) payment of earned severance pay to an employee scheduled for layoff who resigns early to accept other employment; (2) payment of accrued severance pay or similar incentive to an employee who volunteers for separation and thereby saves another employee from involuntary separation; and (3) special one-time incentive to retire. Such proposals should be structured to avoid the loss of personnel with essential knowledge and skills. Such proposals should include an analysis and evaluation of any

- rehire opportunity for employees who choose to participate in the special incentive programs to assure there is no abuse of the intent of the programs. Before approving a special arrangement, the contracting officer shall obtain the concurrence of the Director, Office of Contractor Human Resource Management. It is not expected that voluntary separations will eliminate the need for involuntary separations.
- e. Transfers. Management and operating contractors are encouraged to transfer employees who may be affected by a reduction in force to their other DOE facilities or to their privately-owned facilities where there are vacancies.
 - f. Retraining. Management and operating contractors will provide retraining opportunities for employees affected by reductions, or support employees who utilize outside retraining facilities, when this can be done without an unreasonable increase in cost. Contractors will assure that training is designed to qualify trainees for available job openings in the area. Publicly funded programs should be utilized whenever possible. When reasonable retraining opportunities cannot be provided prior to separation, and needed retraining is not available from publicly funded sources, contractors may reimburse tuition costs of former employees for a limited period, with the approval of the contracting officer.
 - g. Notice to Employees. Employees scheduled for layoff should be given as much notice as is practical. In those instances where a 60-day notice is required by the Worker Adjustment and Retraining Notification Act (Public Law 100-379) and implementing regulations of the Department of Labor (20 CFR Part 639), this will serve as a minimum. In other instances, a 2-week notice shall be given as a minimum. Notification will first be made to the employee, in person, by the immediate supervisor or other management official of the contractor. When the contractor is unable to give proper notice, pay in lieu of notice may be given.
 - h. Nondiscrimination. Contractors shall use their best efforts to alleviate any adverse impact on minorities and women, and shall document their analysis to demonstrate these efforts.
 - i. Outplacement Assistance. Contractors should provide affected employees, before and after separation, with counseling covering job search techniques, resume preparation and mailing, and identification of job openings. They also should make arrangements for onsite or local recruitment and other appropriate outplacement assistance, as approved by the contracting officer. Special effort should be made to coordinate with other DOE management and operating contractors who may have vacancies. Bargaining unit representatives of affected employees should

be invited to participate in planning and implementing the outplacement program. Community human resource agencies should be used for outplacement assistance where possible.

- j. Referral for Personal Assistance. Contractors should refer employees who do not find other employment prior to layoff to outside sources of financial assistance, social services, educational opportunities, and other appropriate assistance to reduce personal hardships. Employee Assistance Program counselors can appropriately be used to assist these employees and make such referrals.
- k. Programs to Reduce Impact on Displaced Employees and the Communities. Contractors will employ programs through Federal, State and local governments; local organizations; employee representatives; and educational institutions to reduce the impact.
- l. Reporting. Following completion of a reduction in employment, the contractor shall inform the contracting officer of:
 - (1) Numbers and categories of employees -
 - (a) Involuntarily separated;
 - (b) Voluntarily separated who received severance pay;
 - (c) Electing retirement under special incentive programs; and
 - (d) Transferred to other facilities of the contractor.
 - (2) Total costs of severance pay and termination incentives, broken down for voluntary and involuntary terminations.
 - (3) Potential for rehire of employees who choose to participate in special incentive programs.
 - (4) Results of analysis of impact on minorities and women.

10. ACTIONS BY DEPARTMENTAL ELEMENTS

- a. Submission of Plan to Headquarters. The Head of the Field Organization shall submit to the cognizant PSO and other affected PSOs, at least 30 days prior to the proposed announcement, a summary of the action to be taken; reasons for the action; and a schedule for announcing the proposed action to employees in general, to the general public, and to the individual employees affected.

This submission will also summarize the actions to be taken by the contractor to mitigate the adverse effects of the reduction on individuals and the community. A draft press release and a draft letter to Federal, State, and local government officials should be included.

- b. Concurrence by the Secretary. For significant layoff actions, as defined below, the PSO shall process an Alert Bulletin (DOE Form 1325.11) from the PSO through the Under Secretary and/or the Deputy Secretary, as appropriate, in accordance with SEN-10G. A significant layoff is: (1) any layoff at a single site affecting 100 or more employees; or (2) Any layoff involving controversial issues (such as, but not limited to, significant budget reductions, health and safety impacts, conflicts with local labor/management agreements; changes to normal employee relations practices) warranting high level Departmental management review and thorough external coordination. The Alert Bulletin should state: (1) the number and types of positions affected; (2) the reason(s) for the reduction; (3) actions planned to reduce the number of employees to be involuntarily laid off and the net number of layoffs expected; (4) date and manner of public announcement and prenotifications; and (5) effective date(s) of layoffs and date(s) the affected employees are to be notified. The Bulletin should have attached to it a proposed press announcement, potential questions and answers, Communications Plan, and schedule of planned actions. Attachment 1 is an example of an Alert Bulletin.

BY ORDER OF THE SECRETARY OF ENERGY:



DOLORES L. ROZZI
Director of Administration
and Management

E X A M P L E



**DEPARTMENT OF ENERGY
ALERT BULLETIN**

Orig. Office:

Transmittal: Action: (Name of Facility) Reduction in Force

To: The Secretary

Thru: Deputy Secretary
Under Secretary

Issue: On (date), (Name of Operating Contractor) of the Department of Energy (Name of Facility and location), is planning to announce a reduction in force (RIF) of (number) hourly production positions. Personnel actions will begin (date).

Discussion: Modification of the workload schedules has resulted in a slowdown in production activity. (Name of Facility) sees no problem in continuing to meet production targets.

It is a possibility that approximately (#) employees could be placed in other positions at (Name of Facility), bringing the projected number to be laid off down to approximately (#) hourly employees. All employees will be given (#) weeks' notice of the need for a RIF. (Name of Contractor) will announce the RIF requirements to (Name of Facility) employees beginning with Managers at (time) (EDT) on (date). Individual Managers will make the announcement to their respective employees at (time) (EDT). Appropriate external officials are to be notified at (time) (EDT) on the same day of employee notification. It is the (Name of Facility's) desire that the employees receive the notification prior to the announcement to the news media.

The (Name) Operations Office is working with the Assistant Secretary for Defense Programs on this matter. The Office of the Assistant Secretary for Congressional and Intergovernmental Affairs will notify the congressional delegation and appropriate congressional staff of the RIF in advance of the announcement to affected employees. A proposed announcement letter, questions and answers, congressional notification list, and schedule are attached.

The attached correspondence has no relation to the Naval Nuclear Propulsion Program. Naval Reactors concurrence is not required (if applicable).

Please note your concurrence to take the above actions in announcing the pending layoff.

Cognizant Assistant Secretary

Concurrence:

EXPEDITE HAND-CARRY